

DEPARTMENT OF FINANCIAL INSTITUTIONS
MINUTES OF MEETING
MARCH 13, 2003

The Members of the Department of Financial Institutions met at 9:00 a.m., EST, at 30 South Meridian Street, Suite 300, Indianapolis, Indiana. Members present were: David A. Bochnowski, Chairman; Mrs. Loretta M. Burd, Vice Chairman; Tony Zaleski, David D. Baer, James M. Saner and Michael W. Davis. Also present from the Department were Charles W. Phillips, Director; J. Philip Goddard, Chief Counsel, Deputy Director, and Secretary; James M. Cooper, Deputy Director, Depository Division; Chuck T. Stumpf, Deputy Director, Administration Division; Kirk J. Schreiber, Senior Bank Analyst; Gina R. Williams, Senior Bank Analyst; Mark K. Powell, Supervisor, Credit Union Division; Mark Tarpey, Division Supervisor, Consumer Credit Division, John Schroeder, Supervisor, Administration Division and Ronda Bailey, Administrative Assistant. Representing the Fountain Trust Company, Covington, Indiana were: Kip White, President and Mark Haas, Executive Vice President and CFO. Representing Perfect Circle Credit Union, Hagerstown, Indiana was Lisa Dykhoff, CEO and representing Teachers Credit Union, South Bend, Indiana was Laura Feeney, Regional Manager. Also attending was Michael R. Brown, Vice President of Executive Media. Member Bridget Polichene was absent.

I. PUBLIC SESSION

- A.) Attendance
- B.) Date of next meeting: April 10, 2003 @ 9:00 a.m.
- C.) A motion was made for approval of the minutes of the meeting held December 19, 2002, by Mrs. Burd and was seconded by Mr. Davis. **The minutes were unanimously approved.**

DIVISION OF BANK AND TRUST COMPANIES

1.) The Fountain Trust Company, Covington, Fountain County, Indiana

Mr. Kirk J. Schreiber, Senior Bank Analyst, presented this application. Mr. Schreiber introduced two representatives for the applicant, Mr. Kip White, President of The Fountain Trust Company ("Fountain") and Mr. Mark Haas, Executive Vice President and Chief Financial Officer of Fountain.

Fountain has applied to the Members of the Department for approval to merge with Heritage Bank & Trust Company, Darlington, Montgomery County, Indiana ("Heritage"), pursuant to IC 28-1-7. Fountain will survive the merger. Both Fountain and Heritage are wholly owned subsidiaries of Piper Holdings, Inc. ("Holding Company"), Covington, Indiana. As a result of the merger the main office of Heritage and branches of Fountain and Heritage are to be operated as branches of the resultant institution.

On a pro forma basis as of December 31, 2002, the resulting bank will have an adequate tier one capital ratio of 18.17%. The three-year average ROA for Fountain is 1.18% and the three-year average ROA for Heritage is 0.68%. As of December 31, 2002, the ROA for

Fountain was 1.08% and the ROA for Heritage was 0.61%. On a pro forma basis this merger will reduce the duplication of operational expenses and increase market coverage, lending capabilities and product variety. Also on a pro forma basis, land and buildings represents 38% of sound capital. The investment in total fixed assets represents 25% of total capital.

The Holding Company received a satisfactory BOPEC rating from the Federal Reserve Bank of Chicago at their most recent bank holding company inspection of November 26, 2001. Both Fountain and Heritage received satisfactory CAMELS and CRA ratings at their most recent examinations.

The board of directors and executive officers of Fountain and Heritage are the exact same. There will be no managerial changes with respect to the resultant bank. The board of directors of Heritage will cease to exist as a result of the merger. It is anticipated that all employees of Heritage will be offered employment with resultant bank.

The Federal Deposit Insurance Corporation, Chicago Office is expected to approve this application on March 17, 2003.

The staff recommends approval of the merger.

A motion for approval of the merger application was made by Mr. Saner and seconded by Mr. Baer. **The application was unanimously approved.**

2.) **Ronald W. Plassman, Fort Wayne, Allen County, Indiana**

Ms. Gina Williams, Senior Bank Analyst, presented the application. Ronald W. Plassman has applied to the Department for a change in control of Knisely Financial Corporation, ("Knisely") Butler, DeKalb County, Indiana, and thereby, indirectly control Knisely Bank (the "Bank") Butler, DeKalb County, Indiana, pursuant to IC 28-1-2-23. Ms. Williams informed the Members that Mr. Plassman is requesting approval to acquire 1,360 shares of the common stock of Knisely, which is the parent company of the Bank.

Ms. Williams reminded the Members that on December 19, 2002, the Members approved a Plan of Conversion whereby the Bank converted from a national bank to a state chartered commercial bank. The effective date of the conversion was January 1, 2003.

Mr. Plassman currently owns 800 shares of Knisely common stock. The acquisition of the additional 1,360 shares will result in his ownership of 54% of the outstanding stock of Knisely and thereby indirectly control the Bank. He will acquire the shares from Sondra Phillips pursuant to a Stock Purchase Agreement dated March 22, 2001. The funds to purchase the stock are being held in an escrow account until regulatory approval for the change in control is obtained.

Mr. Plassman has been a director of the Bank since 2001. He is President and owner of Three Rivers Title Company, Inc., located in Fort Wayne, Indiana. Mr. Plassman has no plans to

sell the bank or to make any significant changes in the business strategy of the bank or its structure. There will be no change in management or the board of directors as a result of the change in control.

Amy Hofner of the Federal Reserve Bank in Chicago indicated she anticipated approval of the application the first week of April 2003.

Mr. Plassman is a well-respected businessman and is considered to be qualified by competence, experience, character, and financial responsibility to control and operate the institution in a legal and proper manner. The interests of the stockholders, depositors, creditors, and the public will not be jeopardized by the transaction.

Ms. Williams told the Members that the staff believes Mr. Plassman meets the criteria for a change in control pursuant to IC 28-1-2-23 and therefore recommends approval.

Mrs. Burd asked if the stockholders had to approve the change in control. Ms. Williams told her stockholder approval was not required.

A motion for approval of the change in control application was made by Mr. Baer and seconded by Mr. Zaleski. **The application was unanimously approved.**

CREDIT UNION DIVISION

1.) Perfect Circle Credit Union, Hagerstown, Wayne County, Indiana

Mark K. Powell presented this application. Perfect Circle Credit Union is applying to the Members for permission to expand its field of membership to include persons who reside or work in Wayne and Henry Counties, Indiana. Mr. Powell explained that the requested communities fit the statutory definition of a community. Mr. Powell stated that Perfect Circle Credit Union had a 13.66% capital ratio and was projecting capital to be 11.56% at the end of the pro-forma period. Mr. Powell went on to explain that Perfect Circle Credit Union did not currently anticipate building any new facilities, but was currently in the process of building a new branch location in Richmond, Indiana. Mr. Powell stated that all of the member services would be provided at either existing branches or by the various electronic banking programs that already exist.

Mr. Saner asked a general question involving on what basis the Members might deny a community field of membership request. Mr. Powell replied that in his personal opinion the only reason the Members would have to deny an application would be if the requesting credit union were incapable of serving the field of membership. Mr. Powell stated further that that was why the Members received packets containing a lot of information showing how the credit union will be providing services to the additional members contained within the requested field of membership, and that the credit union is financially capable of taking on the added burden of their expanded field of membership.

Mr. Powell informed Mr. Saner and the rest of the Members that the short history of the community based field of membership expansions showed that the credit unions were staying in the geographic areas in which they already operated.

Mr. Saner asked if the credit unions were covered by CRA requirements as banks are. Mr. Powell replied that credit unions were not currently covered by CRA requirements. Mr. Phillips added that credit unions did have requirements as to capital, management, and asset quality just as banks do, and if there were problems in any of these areas the application would not be approved. Mr. Phillips further said that Indiana was merely responding to changes in the field of membership statutes on the Federal side. Mr. Phillips pointed out that the reason none of these applications have been denied by the Members is that any credit union that did have deficiencies would be told that the staff would not recommend to the Members that their application be approved.

Mr. Saner asked if the Members would be better served by delegating the approval of the community field of membership applications to Mr. Phillips. Mr. Phillips replied that the Members could do that, but that he preferred that the Members continue to review these applications. Mr. Phillips stated that if the Members delegated too much approval to him the Members themselves would not see enough of the institutions that they are responsible for regulating. Mr. Bochnowski added that he too thought it was important that the Members review the capital adequacy and management of all of the institutions that the Department is responsible for regulating.

Mr. Baer asked about Perfect Circle Credit Unions lack of strong earnings. Mr. Powell replied that profits were being squeezed by the bad economy just like any other financial institution. Mr. Baer asked if loan losses were excessive. Ms. Dykhoff replied that loan losses had not been high. She did say that the credit union does spend a lot of money providing the best services to the members that they can and this does create a high overhead. Mr. Powell also pointed out that the Perfect Circle Board of Directors is always trying to return the maximum amount of dividend back to their members, and when the credit union is in a falling rate environment the Board always lags behind in lowering dividends. Mr. Phillips explained that dividends are an operating expense for a credit union, and since they are mutually owned, if they have more than sufficient capital, and if they want to lower their spreads and their ROA then that is alright with the regulator unlike in a commercial bank.

Mrs. Burd made a motion for approval, which was seconded by Mr. Davis, to include persons who reside or work in Wayne and Henry Counties, Indiana. The motion was unanimously approved.

2.) Teachers Credit Union, South Bend, Saint Joseph County, Indiana

Mark K. Powell presented this application. Teachers Credit Union is applying to the members for permission to expand its field of membership to include persons who reside or

work in the
Marion County Townships of Warren and Wayne, and Hamilton and Elkhart Counties. Mr.

Powell explained that the requested communities fit within the statutory definition of a community. Further, Mr. Powell stated that teachers had an 8.94% capital ratio and was projecting capital to be 9.19% at the end of the pro-forma period. Mr. Powell went on to explain that Teachers did not anticipate building any new facilities or add any new staff due to the requested expansion. Mr. Powell also pointed out that Teachers was reflecting steady increases in net income during the pro-forma period.

Mrs. Burd asked if there were shared branch locations in Warren and Wayne Townships. Ms. Feeney replied that there were shared branch locations in both of these Townships. Mr. Powell then pointed out that the shared branch concept was an idea that saved credit unions money and were unique to credit unions as far as he knew. Mr. Baer asked how the shared branch concept worked as far as signing up members for an individual credit union. Mrs. Burd explained that new members would not be signed up at a shared branch but at the main office of a credit union or a proprietary branch of the credit union. Shared branches were used as a deposit and withdrawal convenience for the members of each participating credit union. She then added that credit unions were constantly trying to expand the services that could be provided by a shared branch. Mr. Phillips pointed out that Teachers had a very similar fixed assets ratio when compared to a community bank of similar size. However, he felt that Teachers was serving a much wider geographic area than the community bank would be able to serve with the same fixed assets.

Mr. Baer then asked where the dividends were located on Teachers balance sheet. Ms. Feeney replied that they would be contained in the interest expense. Mr. Baer pointed out that that was different from the Perfect Circle statement. Mr. Powell replied that it was just a function of the accounting system that the credit union used. In general, dividends are an operating expense for credit unions.

Mr. Phillips asked Mr. Powell to explain the corporate credit union system to the Members. Mr. Powell replied that the corporate credit union system was started in the mid nineteen seventies when credit unions were having trouble accessing the Federal Reserve System. Corporate credit unions have a membership that is exclusive only to natural person credit unions (no individuals may join a corporate credit union). In the early years almost every state had a corporate credit union, but now through consolidation and merger the number is down to approximately thirty-five. Natural person credit unions make investments with and through the corporate credit unions and also use them for liquidity needs. In Kansas, there is an entity called the US Central Credit Union. Only corporate credit unions may belong to US Central. US Central takes the money that the various state corporate credit unions invest with it and make large dollars investments in a variety of instruments. The corporate system is regulated separately from natural person credit unions. There are corporate credit union examiner specialists that do nothing but examine corporate credit unions.

Mrs. Burd made a motion for approval, which was seconded by Mr. Baer, to include persons who reside or work in the Marion County Townships of Warren and Wayne

and the Indiana Counties of Hamilton and Elkhart. The motion was unanimously approved.

DIRECTOR'S COMMENTS

- A.) Phil Goddard reported that he attended the Community Financial Services Association's annual conference in Palm Beach, Florida. He was a panel speaker with a State Senator from Illinois and a community activist from Missouri. He stressed that in order for the industry to be a viable and productive industry that there was going to have to be a cooperative and civil relationship that had mutual objectives. Otherwise, protracted battles will eventually be the downfall of the industry. Mr. Goddard also reported that the Department had come into \$175,000 from federal litigation involving class action suits with two companies, Check into Cash and Check and Go. It was the amount of refunds due to customers that was returned to the Court because the customers were no longer at the address and with no known forwarding address. The Court ordered the money to revert to the Department of Financial Institutions with the proviso that it be spent for consumer education. The staff is presently investigating potential sources that could utilize the money. The Members will be kept informed.
- B.) **Salin Bank and Trust Company, Indianapolis, Marion County, Indiana**
On September 9, 2002, the bank notified the Department of its intent to establish a qualifying subsidiary pursuant to IC 28-13-16. The Bank intends to acquire Boom Inc., an Indiana corporation with its principal place of business in Marion, Indiana d/b/a Cannon Real Estate. The name of the corporation will be changed to Salin Real Estate, Inc. d/b/a Cannon Real Estate. The bank's intent is to operate the real estate brokerage agency as a wholly owned subsidiary of the bank. **This item was for informational purposes only.**
- C.) **Irwin Union Bank and Trust Company, Columbus, Bartholomew County, Indiana**
On November 19, 2002, the bank notified the Department of its intent to establish a qualifying subsidiary pursuant to IC 28-13-16. The subsidiary will be known as Irwin equipment Lease 2002-1, LLC (the "LLC"). The LLC will be used to facilitate the securitization and/or financing of loans and leases originated or acquired by IBF, and to retain an interest in the cash flows of the securitized and/or financed loans and leases in excess of the investors' required returns. **This item was for informational purposes only.**
- D.) **MarkleBank, Markle, Huntington County, Indiana**
On November 26, 2002, the bank notified the Department of its intent to establish three qualifying subsidiaries pursuant to IC 28-13-16. The subsidiaries will be known as Markle Investments, Inc. ("Op Sub 1"), Markle Holdings, Inc. ("Op Sub 2") and Markle Portfolio, LLC ("LLC"). The LLC is being established to acquire, hold, sell, exchange and otherwise dispose of and to collect the income from investment securities. Op Sub 1, Op Sub 2 and the

LLC will be domiciled in Las Vegas, Nevada. **This item was for informational purposes only.**

E.) Ameriana Bank and Trust, SB, New Castle, Henry County, Indiana

On December 13, 2002, the bank notified the Department of its intent to establish a qualifying subsidiary pursuant to IC 28-13-16. The subsidiary will be known as Ameriana Investment Management, Inc. The subsidiary is being formed for the purpose of managing Ameriana's portfolio of investment securities. **This item was for informational purposes only.**

F.) Peoples State Bank of Francesville, Francesville, Pulaski County, Indiana

On February 12, 2003, the bank notified the Department of its intent to establish three qualifying subsidiaries pursuant to IC 28-13-16. The subsidiaries will be known as PSB Francesville Investments, Inc., PSB Francesville Holdings, Inc., and PSB Francesville, LLC. The LLC is being established to acquire, hold, sell, exchange and otherwise dispose of and collect the income from investment securities. All three entities will be domiciled in Las Vegas, Nevada. **This item was for informational purposes only.**

G.) Director Phillips advised the Members of actions taken pursuant to delegated authority.

ACTIONS BY DELEGATED AUTHORITY

1.) FARMERS STATE BANK, LAGRANGE, LAGRANGE COUNTY, INDIANA

The bank has applied to the Department for approval to establish a branch banking office to be located at **809 West Chicago Road, Sturgis, St. Joseph County, Michigan**. The application was received on November 15, 2002. The branch is to be known as **Farmers State Bank**. The bank is leasing the space from an independent third party. The term of the lease is for ten years with an option to purchase the building on or after October 1, 2005. The purchase price will be credited \$300 for each month of rent paid under the lease agreement. The annual rent is \$16,800 payable in monthly installments of \$1,400.00. Leasehold improvements are projected at \$300,000 and furniture, fixtures, and equipment at \$75,000.

No relationship exists between the parties involved in this transaction. The bank's three-year average ROA is 1.26%. As of September 30, 2002, the bank's ROA is 1.16% and its Tier 1 leverage capital ratio is 8.91%. The investment in total fixed assets to total capital will be 15.54% after the establishment of the branch. This will be the institution's sixth branch. **This was approved by the Director on December 19, 2002, under Delegated Authority.**

2.) SALIN BANK AND TRUST COMPANY, INDIANAPOLIS, MARION COUNTY, INDIANA

The bank has applied to the Department for approval to establish a branch office to be located at **6431 East State Boulevard, Fort Wayne, Allen County, Indiana**. The application was received on December 3, 2002. The branch is to be known as **Salin Bank and Trust Company**. The bank purchased the building, which is a former branch location

of Summit Bank, for \$450,000. Furniture, fixtures and equipment costs are approximated at \$150,000. No relationship exists between the parties involved. The bank's three-year average ROA is 0.99%. As of September 30, 2002, the bank's ROA is 1.21% and its Tier 1 leverage capital ratio is 8.37%. The investment in total fixed assets to total capital will be 23.73% after the

establishment of the branch. This will be the bank's thirty-first branch. **This was approved by the Director on December 19, 2002, under delegated authority.**

3.) **HOOSIER TRUST COMPANY, INDIANAPOLIS, MARION COUNTY, INDIANA**

The corporate fiduciary has applied to the Department to amend Article II Section 2 of its Articles of Incorporation. The amendment will increase the corporate fiduciary's authorized shares of capital stock from 175,000 shares to 225,000 shares with a par value of \$1.00. This change is being made to generate additional capital for the corporate fiduciary. **This was approved by the Director on January 7, 2003, under delegated authority.**

4.) **RBC CENTURA BANK, ROCKY MOUNT, NASH COUNTY, NORTH CAROLINA**

An application for issuance of a certificate of admission was received from RBC Centura Bank, Rocky Mount, Nash County, North Carolina ("RBC"). RBC filed the application to enable it to transact business in Indiana in accordance with the provisions of IC 28-1-22. RBC, a North Carolina state chartered commercial bank, intends to establish a loan production office. The loan production office will be located at 8888 Keystone Crossing, Suite 1300, Indianapolis, Indiana. CT Corporation, 36 South Pennsylvania Street, Indianapolis, Marion County, Indiana, has been appointed as resident agent for service of legal process by the bank. **The Director issued a certificate of Admission on January 7, 2003, under delegated authority.**

5.) **HERITAGE COMMUNITY BANK, COLUMBUS, BARTHOLOMEW COUNTY, INDIANA**

The bank has applied to the Department for approval to relocate its main office from **426 Washington Street, Columbus, Bartholomew County, Indiana** to **123 Second Street, Columbus, Bartholomew County, Indiana**. The application was received on January 24, 2003. Heritage Community Bank is the resulting bank of a merger of Union Bank & Trust Company, North Vernon; Vevay Deposit Bank, Vevey; Farmers State Bank, Liberty; and Peoples Bank & Trust Company, Sunman. The merger was consummated on November 9, 2001. The relocation increases the main office square footage and allows the bank to centralize operational staff, including commercial loan processing, loan operations, deposit operations, collections, compliance, accounting, marketing, and executive management. The bank will lease approximately 9,200 square feet from an independent third party. The term of the lease is for fifteen years with two-five year renewal options. Monthly rental payments are \$11,500 for the first five years and then adjusted annually thereafter. The current main office is also leased. If the bank is unable to sublease the space it could terminate the lease for approximately \$165,000. Leasehold improvements are projected at \$162,000 and furniture, fixtures, and equipment at \$105,000. No relationship exists between the parties involved in this transaction. As of September 30, 2002, the bank's ROA was 1.61% and its Tier 1 leverage capital ratio was 9.44%. The projected investment in total fixed assets to

total capital will be 9.63% after the main office relocation and the establishment of the pending branch application described below. **This was approved by the Director on February 5, 2003, under delegated authority.**

6.) **HERITAGE COMMUNITY BANK, COLUMBUS, BARTHOLOMEW COUNTY, INDIANA**

The bank has also applied to the Department for approval to establish a branch at **1665 National Road, Columbus, Bartholomew County, Indiana**. The application was received on January 15, 2003. The bank will lease approximately 3,900 square feet from an independent third party. The term of the lease is for ten years with two-five year renewal options. Monthly rental payments are \$6,700. Leasehold improvements are projected at \$110,000 and furniture, fixtures, and equipment at \$85,000. This is the first branch application in a larger plan to expand the bank's presence in Columbus and the surrounding area. The bank presently has no other locations in Columbus. No insider relationship exists between the parties involved in this transaction. As of September 30, 2002, the bank's ROA was 1.61% and its Tier 1 leverage capital ratio was 9.44%. The projected investment in total fixed assets to total capital will be 9.63% after the main office relocation and the establishment of this branch. This will be the institution's fourteenth branch. **This was approved by the Director on February 5, 2003, under delegated authority.**

7.) **CITIZENS BANK, MOORSEVILLE, MORGAN COUNTY, INDIANA**

The bank is requesting an extension of time for the opening of its branch to be located at Heartland Crossing and State Road 67, Mooresville, Morgan County, Indiana. The branch application was approved under delegated authority on March 18, 2002 with a projected opening date of December 31, 2002. Because of delays in design approval, lot platting, and subdivision, construction did not begin as anticipated. The projected opening date has been delayed until late March or early April 2003. The bank's ROA as of September 30, 2002 was 1.64% and its Tier 1 leverage capital ratio was 11.05%. **The Director approved an extension on February 5, 2003, under delegated authority. The extension was granted until April 30, 2003.**

8.) **MELLON BANK N.A., PITTSBURGH, ALLEGHENY COUNTY, PENNSYLVANIA**

An application for the issuance of a certificate of admission was received from Mellon Bank, N.A., Pittsburgh, Allegheny County, Pennsylvania ("Mellon") on January 29, 2003. Mellon filed the application to enable it to transact business in Indiana in accordance with the provisions of IC 28-1-22. Mellon has applied for admission as a foreign corporation to provide custodial services for a portion of the assets of the State of Indiana's Deferred Compensation Plan. Mellon does not intend to open an office in Indiana in connection with this business. CT Corporation, 36 South Pennsylvania Street, Suite 700, Indianapolis, Marion County, Indiana, has been appointed as resident agent for service of legal process by the bank. **The Director issued a Certificate of Admission on February 5, 2003, under delegated authority.**

9.) **BLOOMFIELD STATE BANK, BLOOMFIELD, GREENE COUNTY, INDIANA**

The bank has applied to the Department for approval to establish a branch at **101 Broadway, Oaktown, Knox County, Indiana**. The application was received on January 6, 2003. The bank will lease from the Town of Oaktown a vacant lot across the street from the Town Hall and use a 12 X 60 trailer as a branch. The lease is for 5 years with an option to renew for an

additional 5 years. The Oaktown Development Committee and the Oaktown Town Board approached the bank about putting a branch in Oaktown. Furniture, fixtures, and equipment, including the trailer, are estimated at \$90,000. No relationship exists between any of the parties involved in this transaction. As of September 30, 2002, Tier 1 leverage capital ratio was 7.19%. The projected investment in total fixed assets to total capital will be 21.48% after the establishment of this branch. This will be the institution's tenth branch. **This was approved by the Director on February 13, 2003, under delegated authority.**

10.) **HOOSIER TRUST COMPANY, INDIANAPOLIS, MARION COUNTY, INDIANA**

Hoosier Trust Company has applied to the Department for permission to add five new directors to the corporate fiduciary's board of directors. Hoosier Trust Company was approved as a state chartered corporate fiduciary by the Department on March 14, 2002, and opened for business on March 15, 2002. Hoosier Trust Company has requested adding Mr. Louis H. Schwitzer, III, General Robert G. Moorhead, Mr. Robert W. Spanogle, Mrs. Susan S. Harmless, and Mr. Jefferson W. Brougher to the board of directors. Based on a review of all the information submitted on these five individuals, no unfavorable responses were noted during the investigation. **This was approved by the Director on February 13, 2003, under delegated authority.**

11.) **FIFTH THIRD BANK, INDIANA, INDIANAPOLIS, MARION COUNTY, INDIANA**

The bank has requested permission to hold a piece of property in excess of the ten-year limitation prescribed in IC 28-1-11-5. The property was acquired through a merger in August of 1995. The property is referred to as Harbortown, and is located west of Evansville, Indiana on Highway 66. The bank received permission to hold the property until December 31, 2002, under action taken by the Director on November 15, 2001, but has been unable to sell the property within that time frame. The property has been written off of the bank's books. The bank anticipates that improvements being made to the property will make it easier to market and sell. As of 12/31/2002, Fifth Third Bank, Indiana had total assets of \$8,336MM, total deposits of \$4,612MM, and total equity capital of \$1,078MM. The bank's ROA as of 12/31/2002 is 1.45% and Tier 1 Leverage Capital ratio is 11.93%. Allowing the bank to continue to hold the real estate does not appear to endanger the safety and soundness of the bank. **The Director approved and extension on February 19, 2003, under delegated authority. The extension was granted until March 31, 2004.**

12.) **TEACHERS CREDIT UNION, SOUTH BEND, ST. JOSEPH COUNTY, INDIANA**

The credit union has filed a request for approval of a Petition for approval of a proposed Amendment to the Articles of Incorporation. Pursuant to IC 28-7-1-10 (which allows a credit union to add one or more qualified groups to its field of membership) this amendment would place the following organizations into the field of membership of the credit union:

Michiana Chapter of the Institute of Internal Auditors – South Bend – 50 members (common bond of professional association as defined by 28-7-1-10).

McQueen's Delivery Service, Inc. – South Bend – 1 member (common bond of occupation as defined by 28-7-1-10).

IAS Computers – Mishawaka – 1 member (common bond of occupation as defined by 28-7-1-10).

TBR Corporation, Inc. – South Bend – 20 members (common bond of occupation as defined by 28-7-1-10).

Woodworks Plus – South Bend – 1 member (common bond of occupation as defined by 28-7-1-10).

Locke & Key Real Estate & Investment, Inc. – Carmel – 3 members (common bond of occupation as defined by 28-7-1-10).

KayJay Real Estate Investment Services, LLC – Indianapolis – 2 members (common bond of occupation as defined by 28-7-1-10).

MCY, LLC – Indianapolis – 2 members (common bond of occupation as defined by 28-7-1-10).

Employees of the Indiana Historical Society – Indianapolis – 98 members (common bond of occupation as defined by 28-7-1-10).

Walkerton Rental & Storage, Inc. – North Liberty – 3 members (common bond of occupation as defined by 28-7-1-10).

20th Century Fiberglass – Elkhart – 230 members (common bond of occupation as defined by 28-7-1-10).

ProAir, LLC – Elkhart – 75 members (common bond of occupation as defined by 28-7-1-10).

Chariot Vans, Inc. – Elkhart – 45 members (common bond of occupation as defined by 28-7-1-10).

Drive & Shine Development, Inc. – Mishawaka – 5 members (common bond of occupation as defined by 28-7-1-10). **This was approved by the Director on January 6, 2003, under delegated authority.**

13.) FORUM CREDIT UNION, INDIANAPOLIS, MARION COUNTY, INDIANA

The credit union has filed a request for approval of a Petition for approval of a proposed Amendment to the Articles of Incorporation. Pursuant to IC 28-7-1-10 (which allows a credit union to add one or more qualified groups to its field of membership) this amendment would place the following organizations into the field of membership of the credit union:

Apple Aviation – Clermont – 2 members (common bond of occupation as defined by 28-7-1-10).

Facts & Comparisons – Indianapolis - 65 members (common bond of occupation as defined by 28-7-1-10).

Kids Wish Network, Inc. – Oldsmar, FL – 14 members (common bond of occupation as defined by 28-7-1-10).

Polaris Laboratories – Indianapolis – 45 members (common bond of occupation as defined

by 28-7-1-10).

Getchell Brothers – Noblesville – 6 members (common bond of occupation as defined by 28-7-1-10). **This was approved by the Director on January 7, 2003, under delegated authority.**

14.) **TEACHERS CREDIT UNION, SOUTH BEND, ST. JOSEPH COUNTY, INDIANA**

The credit union has filed a request for approval of a Petition for approval of a Proposed Amendment to the Articles of Incorporation. Pursuant to IC 28-7-1-10 (which allows a credit union to add one or more qualified groups to its field of membership) this amendment would place the following organizations into the field of membership of the credit union:

Millwood Chapel – Etna Green – 30 members (common bond of church membership as defined by 28-7-1-10).

Ozburn Hessey Logistics – Plainfield – 190 members (common bond of occupation as defined by 28-7-1-10).

Tool & Die and Automation Services, Inc. – Walkerton – 2 members (common bond of occupation as defined by 28-7-1-10). **This was approved by the Director on January 24, 2003, under delegated authority.**

15.) **FAMILY HORIZONS CREDIT UNION, INDIANAPOLIS, MARION COUNTY, INDIANA**

The credit union has filed a request for approval of a Petition for Approval of a Proposed Amendment To the Articles of Incorporation. Pursuant to IC 28-7-1-10 (which allows a credit union to add one or more qualified groups to its field of membership) this amendment would place the following organizations into the field of membership of the credit union:

Saint Matthew's Episcopal Church – Indianapolis – 150 members (common bond of church membership as defined by 28-7-1-10). **This was approved by the Director on January 30, 2003, under delegated authority.**

16.) **FORUM CREDIT UNION, INDIANAPOLIS, MARION COUNTY, INDIANA**

The credit union has filed a request for approval of a Petition for approval of a proposed Amendment to the Articles of Incorporation. Pursuant to IC 28-7-1-10 (which allows a credit union to add one or more qualified groups to its field of membership) this amendment would place the following organizations into the field of membership of the credit union:

Family Care Chiropractic – Indianapolis – 6 members (common bond of occupation as defined by 28-7-1-10).

Abyss Special FX, Inc. – Indianapolis – 6 members (common bond of occupation as defined by 28-7-1-10). **This was approved by the Director on January 31, 2003, under delegated authority.**

17.) **TEACHERS CREDIT UNION, SOUTH BEND, ST. JOSEPH COUNTY, INDIANA**

The credit union has filed a request for approval of a Petition for approval of a proposed Amendment to the Articles of Incorporation. Pursuant to IC 28-7-1-10 (which allows a credit union to add one or more qualified groups to its field of membership) this amendment would

place the following organizations into the field of membership of the credit union:

Damon Corporation – Nappanee – 576 members (common bond of occupation as defined by 28-7-1-10).

Sun Development & Management Corporation – Indianapolis – 10 members (common bond of occupation as defined by 28-7-1-10).

Shadeland Lodging Associates, LLP – Indianapolis – 10 members (common bond of occupation as defined by 28-7-1-10). **This was approved by the Director on February 25, 2003, under delegated authority.**

18.) INDIANA POSTAL & FEDERAL EMPLOYEES CREDIT UNION, FORT WAYNE, ALLEN COUNTY, INDIANA

The credit union has filed a request for approval of a Petition for approval of a proposed Amendment to the Articles of Incorporation. Pursuant to IC 28-7-1-7 (which allows a credit union to amend its' articles of incorporation to change its' corporate name) this amendment would change the corporate name of the credit union to the following:

Pinnacle Credit Union. **This was approved by the Director on February 28, 2003, under delegated authority**

19.) HOOSIER HILLS CREDIT UNION, BEDFORD, LAWRENCE COUNTY, INDIANA

The credit union has filed a request for approval of a Petition for approval of a proposed Amendment to the Articles of Incorporation. Pursuant to IC 28-7-1-10 (which allows a credit union to add one or more qualified groups to its field of membership) this amendment would place the following organizations into the field of membership of the credit union:

Mirror Concepts, Inc. – Carmel – 8 members (common bond of occupation as defined by 28-7-1-10). **This was approved by the Director on March 3, 2003, under delegated authority.**

20.) Area IV Development, Inc. is requesting a consumer loan license. Applicant is based in Lafayette, IN. They will be making second mortgage loans. They will be servicing their loans. Applicant is an Indiana non-profit 501©(3) entity. They will be making second mortgages in conjunction with first mortgage home ownership loan programs. **This was approved by the Director on February 13, 2003, under delegated authority.**

21.) Agency Mortgage Corporation is requesting a consumer loan license. Applicant is based in Marlton, NJ. They will be making second mortgage loans. They will not be servicing their loans. Loans will be closed by title company/attorneys. They currently operate in seven states. Applicant is recommended for approval. **This was approved by the Director on**

February 5, 2003, under delegated authority.

- 22.) Atlantic Pacific Mortgage Corporation is requesting a consumer loan license. Applicant is based in Mt. Laurel, NJ. They will be making second mortgage loans. They will not be servicing their loans. Loans will be closed by title company/attorneys. They currently operate in ten states. **This was approved by the Director on February 5, 2003, under delegated authority.**
- 23.) Community Lending, Incorporated d/b/a First Choice Financial Group is requesting a consumer loan license. Applicant is based in Oak Brook, IL. They will be making second mortgage loans. They will not be servicing their loans. Loans will be closed by title company/attorneys. They currently operate in 34 states. Applicant is recommended for approval. **This was approved by the Director on February 5, 2003, under delegated authority.**
- 24.) Lafayette Neighborhood Housing Services, Inc. is requesting a consumer loan license. Applicant is based in Lafayette, IN. They will be making second mortgage loans. They will be servicing their loans. Applicant is an Indiana non-profit 501(c)(3) entity. They will be making second mortgages in conjunction with first mortgage home ownership loan programs. Applicant is recommended for approval. **This was approved by the Director on February 5, 2003, under delegated authority.**
- 25.) Long Beach Mortgage Company is requesting a consumer loan license. Applicant is based in Orange, CA with one branch in Indianapolis. Applicant is a subsidiary of Washington Mutual, Inc. They will be making second mortgage loans. They will not be servicing their loans. Loans will be closed by title company/attorneys. They currently operate in fifty states. Applicant is recommended for approval. **This was approved by the Director on February 5, 2003, under delegated authority.**
- 26.) Mid America Payday, Inc. d/b/a Cash to Go of Marion is requesting a consumer loan license. Applicant is based in Marion, IN. They will be making single pay, short term loans under IC 24-4.5. They will be servicing their loans. Applicant is buying a branch office that is currently licensed under LL #8890, Total Financial Solutions. Applicant had been managing this location. Applicant is recommended for approval. **This was approved by the Director on February 5, 2003, under delegated authority.**
- 27.) Taylor, Bean, Whitaker Mortgage Corp. is requesting a consumer loan license. Applicant is based in Ocala, FL. They will be making second mortgage loans. And they will be servicing their loans. Loans will be closed by title company/attorneys. They currently operate in three states. Applicant is recommended for approval. **This was approved by the Director on February 5, 2003, under delegated authority.**
- 28.) UBS Painewebber Mortgage, LLC is requesting a consumer loan license. Applicant is based in Minneapolis, MN and is a wholly owned subsidiary of Wells Fargo & Company. They will be making second mortgage loans. They will not be servicing their loans. Loans will be

closed by title company/attorneys. They currently operate in 23 states. Applicant is recommended for approval. **This was approved by the Director on February 5, 2003, under delegated authority.**

- 29.) Premier Dealer Services is requesting approval as third party administrator for a Guaranteed Auto Protection (GAP) Program. Applicant is based in San Diego, CA. There is a contractual liability policy issued by Great American Insurance. The initial dealer requesting

approval is Bud Wolf Chevrolet. The maximum cost to the customer is \$395. The customer deductible is covered up to \$1,000. Free look period is 60 days. Refund upon prepayment is rule of 78ths. All future dealers will agree to abide by the same terms as those approved. Approval is subject to review at a future date as deemed necessary by the Department. There were 16 GAP agreements sold by Heart City Toyota-Chrysler prior to approval. Customer will be given a new free look period and refunded the difference between \$420 charge to customer and approved \$395. It is recommended that the program be approved as submitted and subject to the above conditions. This is provided for under IC 24-4.5-2-202 (1)(c). **This was approved by the Director on February 5, 2003, under delegated authority.**

APPROVED:

ATTEST:

David A. Bochnowski, Chairman

J. Philip Goddard, Secretary